

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 08/06/2012  
**POSITION:** Oppose

**BILL NUMBER:** AB 1454  
**AUTHOR:** Solorio, Jose

### **BILL SUMMARY: Workers' Compensation: Audiologists.**

This bill would permit doctors of audiology to be appointed as qualified medical evaluators (QME), allowing them to make disability determinations.

### **FISCAL SUMMARY**

The Department of Industrial Relations (DIR) estimates that implementation of this bill would result in one-time costs of \$285,000, Workers' Compensation Administration Revolving Fund, in 2012-13 for contract negotiation, exam design and outreach, and database updates, and ongoing costs of \$40,000, Workers' Compensation Administration Revolving Fund, to support 0.75 positions (0.25 Industrial Relations Counsel III and 0.50 Senior Information Systems Analyst).

The Workers' Compensation Administration Revolving Fund receives revenue from an employer assessment, as well as, fee revenue from the registration of QMEs. The employer assessment revenue would subsidize the significant one-time costs related to this bill. This bill does not provide a mechanism to allow the DIR to charge any fee, beyond the QME registration fee, to audiologists applying for the QME certification to offset this subsidy over several subsequent years, minimizing the impact to employers required to pay for the assessment.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the original version are minor and do not alter our position. The amendments include the deletion of the requirement that an audiologist, when acting as a QME, base the diagnosis portion of the QME report on the physician diagnosis.

### **COMMENTS**

The Department of Finance opposes this bill for the following reasons:

- This bill is unnecessary. Currently, doctors specializing in ear, nose, and throat diagnosis and treatment are qualified as QMEs and provide expertise in these cases.
- Unlike other physicians authorized to be QMEs, audiologists are not authorized to treat workers' compensation claim patients, thus allowing them to be QMEs is inconsistent with current QME and treatment abilities provided to other types of physicians.
- The bill could result in increased assessment costs for all California employers because the QME registration fees specific to audiologists would not be sufficient to fund the one-time initial costs.

Existing law does not allow audiologists to treat workers' compensation patients. In addition, existing law requires the Administrative Director of the Division of Workers' Compensation to establish a list of medical professionals to serve as QMEs in contested workers' compensation cases. The QMEs must be a

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|--|------|---|---|
| Analyst/Principal<br>(0241) J.Morozumi | Date | Program Budget Manager<br>Lisa Ann Mangat | Date  |
| Department Deputy Director             |      | Date                                      |   |
| Governor's Office:                     | By:  | Date:                                     | Position Approved _____<br>Position Disapproved _____ |
| BILL ANALYSIS                          |      |   | Form DF-43 (Rev 03/95 Buff)                           |

## AUTHOR

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**COMMENTS** (continued)

physician as defined by Section 3209.3 of the Labor Code, which includes physicians and surgeons holding a doctorate of medicine or osteopathy degree, psychologists, acupuncturists, optometrists, dentists, podiatrists, and chiropractors.

This bill would include doctors of audiology within the definition of a physician, as defined in the Labor Code. Additionally, to qualify as a QME, this bill would require that doctors of audiology meet the following requirements:

- Hold a doctorate of audiology or doctorate of philosophy (Ph.D.) in an audiology related profession.
- Be licensed by the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- Have a minimum of five years of postdoctoral experience.
- Pass the standard examination demonstrating competence in evaluating medical-legal issues in the workers' compensation system.

Furthermore, we note that Governor Schwarzenegger vetoed an identical bill, SB 577 (Wiggins) of the 2007-08 Legislative Session because a final medical diagnosis must be made by a physician and the additional review by audiologists could result in unnecessary delays.

|                   |  | (Fiscal Impact by Fiscal Year) |    |           |    |           |      |           |
|-------------------|--|--------------------------------|----|-----------|----|-----------|------|-----------|
| Code/Department   | SO                                       | (Dollars in Thousands)         |    |           |    |           |      |           |
| Agency or Revenue | LA                                       |                                |    |           |    |           |      |           |
| Type              | CO                                       | PROP                           |    |           |    |           | Fund |           |
|                   | RV                                       | 98                             | FC | 2012-2013 | FC | 2013-2014 | FC   | 2014-2015 |
|                   |  |                                |    |           |    |           |      | Code      |
| 7350/DIR          | SO                                       | No                             | C  | 285       | C  | 40        | C    | 40 0223   |
| <u>Fund Code</u>  | <u>Title</u>                             |                                |    |           |    |           |      |           |
| 0223              | Workers' Comp Administration Revolv Fund |                                |    |           |    |           |      |           |